ORDINANCE NO. 1771

AN ORDINANCE OF THE CITY OF MILWAUKIE, OREGON RELATING TO PUBLIC CONTRACTS AND PURCHASING, REPEALING ORDINANCE NO. 1617, AND ADOPTING REVISED PROVISIONS RELATING TO THE LOCAL CONTRACT REVIEW BOARD.

WHEREAS, State law mandates that all public contracts shall be based on competitive bid except as otherwise provided by law or the rules of the Local Contract Review Board; and

WHEREAS, Ordinance No. 1617 is generally outdated; and

WHEREAS, provisions for purchasing rules, policies and procedures are necessary in order to carry out the State law to ensure a fair and open contracting process and to protect the City against litigation; and

WHEREAS, the Milwaukie City Council finds it necessary and desirable to adopt such revised provisions for purchasing rules, policies and procedures of the City; now therefore,

THE CITY OF MILWAUKIE DOES ORDAIN AS FOLLOWS:

<u>Section 1</u>: Ordinance No 1617 (Chapter 3.04) of the Milwaukie Municipal Code, adopted January 20, 1987, is hereby repealed.

<u>Section 2</u>: Chapter 3.05, Local Contract Review Board, is hereby added to the Milwaukie Municipal Code to read as follows:

- 3.05.010 <u>Policy</u>. All public contracts shall be based upon competitive bids except as expressly provided by State law, this chapter or the rules adopted by the Local Contract Review Board.
- 3.05.020 <u>Definitions</u>. As used in this chapter, unless the context requires otherwise:
 - 1. "Board" means the City of Milwaukie Local Contract Review Board.
 - 2. "Personal Services Contract" means a contract for services performed by an independent contractor in a professional capacity.
 - 3. "Public Contract" means any purchase, lease or sale by the City of personal property, public improvements or services other than agreements which are for personal services.
 - 4. "Public Improvement" means projects for construction, reconstruction or major renovation on real property by or for the City. "Public improvement" does not include emergency work, minor alteration, ordinary repair or maintenance necessary in order to preserve a public improvement.

- 3.05.030 Local Contract Review Board; Powers; Authority to Adopt Rules.
 - 1. The City Council of the City of Milwaukie is designated as the Local Contract Review Board for contractual matters relating to the City.
 - 2. The Board shall have all of the powers granted by State law.
 - 3. The Board shall adopt rules governing the awarding of public contracts.

3.05.040 Organization of the Board.

- 1. The mayor shall act as the chairperson of the Board. The president of the council shall act as the vice-chairperson.
- 2. The chairperson shall preside over the meetings, and in the absence of the chairperson or in the event a vacancy occurs, the line of succession shall be the same as the line of succession which applies to the council.
- 3. Meetings of the Board may be scheduled at any time, including before, after or during a regularly scheduled City Council meeting.
- 4. Meetings shall be called in the same manner as a City Council meeting.
- 5. Notice of the meeting shall be given as provided by State law.
- 6. The meeting agenda shall be prepared by the City Manager or designee.
- 7. Quorum requirements for the Board shall be the same as those established for City Council.
- 8. The City Manager or designee shall be present at all meetings of the Board and shall provide for the recordation of all meetings and shall maintain minutes of all meetings as required by law.
- 9. The Financing Director or designee shall maintain the records and prepare findings and reports as required by the Board and the rules adopted by the Board.
- 3.05.050 Authority to Obligate the City. The City Council shall approve all public contracts and personal services contracts except as otherwise provided in Section 3.05.060.

- 3.05.060 Delegation of Authority to Obligate the City. The City Manager or his or her designee may enter into a public contract or personal services contract which does not exceed fifteen thousand dollars (\$15,000) without specific Council approval provided the obligation is part of an adopted budget, the rules of the Board are satisfied by written findings and a record is made of the transaction which shows compliance with the rules. This delegation of authority shall be subject to the limitations of Section 3.05.070.
- 3.05.070 <u>Limitation to Expenditures</u>. The delegated authority to obligate the City shall be subject to the following limitations when making a purchase:
 - 1. The expenditure shall be for a single complete item or contract; and
 - 2. The item or contract shall not be a component of a project except in the case of a project which involves a personal services contract and a public contract. In this situation, the personal services contract portion shall be considered a single complete project and the public contract portion shall be considered a single complete project.
- 3.05.080 <u>Purchasing From City Employees</u>. The purchase of any supplies, materials, equipment, labor or services, including personal, professional, technical and expert services from any City employee, or any business with which a City employee is associated shall be subject to prior written approval by the City Manager and approval shall be based upon findings that:
 - 1. The purchase will be at the least cost to the City;
 - 2. The purchase will result in the most efficient method to accomplish the City's purpose;
 - 3. The purchase could not lead to any alleged violations of the Personnel Rules;
 - 4. The approval of the purchase could not lead to an adverse employer-employee relationship should the contract be unsatisfactorily performed; and
 - 5. All rules adopted by the Board have been satisfied.

For purposes of this section "any business with which a City employee is associated" means any business of which the employee is a director, officer, owner or employee, or any business association in which the employee owns or has owned more than ten percent of the business within the preceding calendar year.

City Recorder to file a copy of this ordinance with the Clackamas County Board of Commissioners pursuant to ORS 279.055.
Read the first time on <u>august 16</u> , 1994, and moved to a second reading by a <u>unanimous</u> vote of the City Council.
Read the second time and adopted by the City Council on
ATTEST:
Pat Dalel
Pat DuVal, City Recorder

APPROVED AS TO FORM:

O'Donnell, Ramis, Crew & Corrigan

City Attorney

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